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DRAFT REPORT OF THE GROUP OF EXPERTS ON MULTIMODAL TRANSPORT

which met at the Palais des Nations, Geneva,
from 9 to 13 March 1992

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UNITED NATIONS
DEPARTMENT OF
ECONOMIC AND
SOCIAL AFFAIRS
TRADE AND COMMERCE
DEVELOPMENT

Annex

DRAFT FUTURE WORK PROGRAMME IN THE FIELDS OF MULTIMODAL TRANSPORT AND TECHNOLOGICAL DEVELOPMENT

1. The Group is convinced that multimodal transport and containerization are fundamental ingredients for the expansion of trade, which in itself is a key element in the elimination of poverty. With this in mind, and noting also the need for ecologically sound development policies, the Group asked the secretariat to assist with the identification of a relevant set of issues in the field of multimodal transport and containerization which will facilitate trade and transport up to the year 2000.
2. In identifying these relevant issues, the Group emphasized the need for the secretariat to embrace the "spirit of Cartagena" and then to ensure that the programme of work is implemented in a dynamic and progressive sequence supported by the necessary levels of policy analysis, conceptual innovation, research, and inputs from both governmental and non-governmental experts and actors.
3. The quality of outputs of the programme of work must be constantly evaluated so as to enable the secretariat clearly to identify the determinants of success. The Group of Experts recommended to the committee on services that it establish a list of priorities which will permit the secretariat to develop appropriate implementing strategies and timetables.

A. Involvement of both the private and public sectors

4. In order to encourage better co-operation in the national trade and transport fields, the public and private sectors should be encouraged jointly with the Government to establish national working groups which can discuss and thus understand the complex issues of the multimodal transport environment and recommend policy and operational measures to Governments and other concerned parties for consideration.

B. Substantive work by the UNCTAD secretariat

5. Substantive work by the UNCTAD secretariat in the field of multimodal transport, containerisation and technological development will focus on three areas: (a) monitoring of worldwide developments and preparation of periodical reports on such developments; (b) preparation of substantive reports; and, (c) technical assistance activities.
6. The Group of Experts therefore recommends the following programme of work for the committee on services:

1. Monitoring worldwide developments

(a) Structural changes in transport supply:

- (i) Development of new multimodal transport systems with potential global effects;
- (ii) Possible entry barriers to freight forwarders and multimodal transport operators from developing countries and countries undergoing the process of transition to

market economies wishing to enter the international transport market;

- (iii) Migration of multimodal transport into physical distribution or "total transport" chains;
 - (iv) Development of multimodal sea/air transport services;
 - (v) Developments in the container-leasing industry, including their effects on developing countries and countries undergoing the process of transition to market economies;
 - (vi) Development of new transport infrastructure with potential global effects (alternatives to the Panama Canal, new major transshipment ports, the advent of double-stack trains in countries other than those where they already exist, etc.);
 - (vii) Effects of increased competitiveness and liberalization policies on the transport sector of developing countries and countries undergoing the process of transition to market economies;
 - (viii) The changing requirements for shippers' councils in the context of the new economic environment in developing countries and countries undergoing the process of transition to market economies; and
 - (ix) Dissemination to other interested countries of experience amongst others, of developing countries and countries undergoing the process of transition to market economies at an already advanced stage of container block trains development.
- (b) *Structural changes in transport demand:*
- (i) Emerging transport and total distribution needs of infant industries in developing countries and countries undergoing the process of transition to market economies; and
 - (ii) Changes in economic systems and their impact on international trade flows and international transport needs.
- (c) *Changes in transport technology:*
- (i) Developments in EDP in the context of modern transport and the effects of the introduction of EDI development for "multimodal transport systems" relying on EDI and similarly advanced procedures;
 - (ii) Developments in containerization and related transport technology with potential impacts on countries' transport infrastructure and investment requirements, including maintenance and rehabilitation of those facilities and possible cost recovery schemes;
 - (iii) Developments in the field of standardization of containers through monitoring and participation in the work of ISO TC104.
- (d) 3.Changes in the institutional environment in developing countries and countries undergoing the process of transition to market economies:
- (i) Liberalization;
 - (ii) Privatization;
 - (iii) Transport legislation;
 - (iv) Management efficiency; and
 - (v) Success sharing.

2. Preparing substantive reports

These reports should concentrate on individual countries or regions.

(a) *On economic and commercial issues:*

- (i) Impact of multimodal transport systems and tariffs on trading opportunities in developing countries and countries undergoing the process of transition to market economies and including the need to encourage the creation of joint-venture multimodal transport operations;
- (ii) Feasibility of creating national or subregional container pools among multimodal transport operators in developing countries; and
- (iii) Evaluation of the impact of the introduction of ISO Series 9000 quality standards on the commercial and human resource of transport providers and users from developing countries and countries undergoing the process of transition to market economies.

(b) *On operational issues:*

- (i) Development of inland waterway transport operations in multimodal transport;
- (ii) Impact on the transport industry of developing countries and countries undergoing the process of transition to market economies of the introduction of EDI and the importance of EDIFACT for effective trade and transport, having due regard for the need to standardize procedures and documentation as the first step in the EDI process;
- (iii) Human-resource development management in the field of freight forwarding and multimodal transport, including aspects such as increased management awareness of the importance of manpower planning, selection, job placement and rotation, creation of external training structures, and establishment of a recognized professional grid system to promote mobility within the profession.

(c) *On legal issues related to the development of multimodal transport and technological development:*

- (i) Aspects to be considered in the harmonization and subregional co-ordination of the development of multimodal transport, including the need for the establishment of minimum standards for non-vessel-operating multimodal transport operators and freight forwarders in consultation with FIATA and other NVO-MTO organizations as appropriate;
- (ii) Introduction of guidelines and models for the harmonization and simplification of administrative and Customs procedures, taking into account the interest of much greater adherence to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (2nd TIR Convention of 1975) as well as the Customs Convention on Containers (CCC); and
- (iii) Reference document (MT Handbook) for officials and practitioners, setting out the basic concepts of multimodal transport and the major issues to be tackled by the private and public sectors in the process of developing multimodal transport in a country.

C. Technical assistance activities

7. Under the heading of technical assistance activities, it is possible to distinguish three main elements in the programme of work: (a) the creation of awareness among governmental bodies, users and transport operators; (b) a programme of assistance in connection with the implementation of multimodal transport, containerisation, and technological development issues; and, (c) the implementation of the suggested actions, including actions to adjust the transport sector in countries moving towards market economies.

8. The technical assistance programme will play an important role in assisting decision-makers

from developing countries, and from countries in transition to market economies in two ways:

- (a) By providing and monitoring technical assistance and training in specific areas, such as those analysed by the Group of Experts, leading to the implementation of modern transport technology; and,
- (b) By creating awareness of multimodal transport issues, by preparing reference documents for decision makers on key issues, and by keeping decision-makers abreast of institutional and technological development which have been demonstrated to be propitious for the promotion of efficient multimodal transport services.

9. These two approaches to technical assistance are complementary, in that one concerns actions in the field whereas the other focuses on research and synthesis work to support decision-makers' consideration of these issues. They will collectively provide the secretariat with valuable inputs for use in the preparation of substantive reports.

10. The first approach to technical assistance (subparagraph 8 (a) above) will involve many technical assistance activities to be undertaken by the private sector in co-operation with governmental agencies. There will also be an opportunity for technical co-operation among developing countries; and additionally, there may, in certain circumstances, be a need to provide assistance to intergovernmental organizations and utilize the regional and subregional organizations from the private sector.

11. Without limiting the scope of field-oriented technical services to be provided by the secretariat, and mindful that in this changing world, technical assistance must be dynamic and relevant to the issues of the day, the secretariat will provide technical assistance covering:

- (a) Assistance with implementation of specific actions, such as:
 - (i) Advice on the organisation of awareness campaigns;
 - (ii) Advice to governmental bodies and the private sector on specific measures which will facilitate the introduction of multimodal transport, containerisation, and technological development in a country or subregion;
 - (iii) Advice on modifications to organisational structures for organisations which are to undertake multimodal transport operations; and
 - (iv) Advice on the creation of mixed public and private working groups.
- (b) Assistance with group-training activities.

12. The second approach (sub-paragraph 8 (b) above) will rely on the secretariat's substantive work. In particular, as a form of technical assistance, the secretariat will play a prime role in creating the necessary awareness of the possible enhancement of trading efficiency through the implementation of multimodal transport systems.

13. To this end the secretariat is required, in co-ordination with international organisations, both intergovernmental and non-governmental, as well as donor and recipient countries, to organise specific campaigns concerning the overall concept of multimodal transport and aimed at representatives from transport providers, users and governmental bodies, as described below:

- (a) Specific awareness campaigns for transport operators on the importance of their role, particularly in countries located along transit routes leading to land-locked countries and remote regions. These campaigns will propose improved organisation of modal/interface operations and increased use of modern technology (containerisation, computerisation and the use of EDI). They will also propose the creation of freight forwarders and MTOs to serve as official counterparts in all negotiations with governmental bodies and transport users on trade and transport issues;
- (b) Specific awareness campaigns for transport users and traders on how to benefit from the development of multimodal transport in their respective countries. These campaigns would include the need to adopt modern commercial practices (trade, banking, insurance) and to reach common positions when negotiating with governmental bodies and transport operators; and.

- (c) Specific awareness campaigns for governmental bodies on actions to be taken in order to create an efficient transport environment which facilitates the development of multimodal transport systems in their respective countries. These campaigns would consider, where appropriate, the necessity to create working groups with the participation of all the public and private parties concerned, including national associations of transport users and transport operators, which can discuss and thus understand the complex issues of the multimodal transport environment. These working groups must include technical sub-committees on facilitation, legislation and EDP/EDI in the trading and transport sectors.

The campaigns would emphasize the importance of revising existing national laws and regulations to promote maximum efficiency in and between all transport modes and interfaces. They would also cover such issues as Customs and banking procedures imposed on freight forwarders and NVO-MTOs, including the question of performance bonds and procedures for the payment of import duties and taxes. Finally, the campaigns would stress the importance for governmental bodies to take international transport issues in consideration in the formulation of national (transport) development plans, particularly with respect to the planning of transport-related infrastructure developments.

14. Finally, the programme of work at the level of technical assistance will be closely coordinated with other United Nations Agencies and bodies, particularly the World Bank and the regional commissions, and with non-governmental organisations, in order to avoid any duplication of effort and take advantage of synergies.

